

CASNOVIA TOWNSHIP, MUSKEGON COUNTY

CASNOVIA, MICHIGAN

MARCH 31, 2004

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Casnovia Township</b>	County <b>Muskegon</b>
Audit Date <b>3/31/04</b>	Opinion Date <b>8/25/04</b>	Date Accountant Report Submitted to State: <b>11/11/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

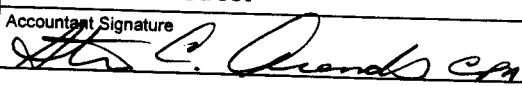
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Baird, Cotter &amp; Bishop, P.C.</b>			
Street Address <b>134 W. Harris Street</b>		City <b>Cadillac</b>	State <b>MI</b>
Accountant Signature 		ZIP <b>49601</b>	Date

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

MARCH 31, 2004

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JACK H. BAIRD, C.P.A.  
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DALE D. COTTER, C.P.A.

*Baird, Cotter and Bishop, P.C.*

CERTIFIED PUBLIC ACCOUNTANTS

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SCOTT A. HUNTER, C.P.A.  
JONATHAN E. DAMHOF, C.P.A.  
MICHAEL D. COOL, C.P.A.

August 25, 2004

INDEPENDENT AUDITORS' REPORT

To the Township Board  
Casnovia Township  
Muskegon County  
Casnovia, Michigan

We have audited the accompanying general-purpose financial statements of Casnovia Township, Muskegon County, Casnovia, Michigan as of and for the year ended March 31, 2004, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Township. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I.B, the Township's policy is to prepare its general-purpose financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of Casnovia Township, Muskegon County, Casnovia, Michigan as of March 31, 2004, and the cash receipts it received and cash disbursements it paid for the year then ended on the basis of accounting described in Note I.B.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information listed as "Financial Statements of Individual Funds" and "Other Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

BAIRD, COTTER AND BISHOP, P.C.

*Baird, Cotter & Bishop, P.C.*

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

COMBINED STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

ALL FUND TYPES AND ACCOUNT GROUP  
MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>FIDUCIARY</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>FUND TYPE AGENCY</u>
<u>ASSETS</u>			
Cash			
Commercial Account	\$ 2,611	\$ 0	\$ 1,029
Savings Accounts	79,580	119,828	0
Certificates of Deposit	0	80,043	0
Taxes Receivable	6,365	5,685	0
Due from Other Funds	0	2,088	0
Land and Land Improvements	0	0	0
Buildings	0	0	0
Furniture and Equipment	0	0	0
TOTAL ASSETS	<u>\$ 88,556</u>	<u>\$ 207,644</u>	<u>\$ 1,029</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT A

ACCOUNT GROUP			
GENERAL		TOTALS	
FIXED		(MEMORANDUM	
ASSETS		ONLY)	
\$ 0		\$ 3,640	
0		199,408	
0		80,043	
0		12,050	
0		2,088	
65,791		65,791	
126,213		126,213	
500,256		500,256	
\$ 692,260		\$ 989,489	

The accompanying notes are an integral part of these financial statements.



CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

COMBINED STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

ALL FUND TYPES AND ACCOUNT GROUP  
MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>FIDUCIARY</u>
	<u>GENERAL</u>	<u>SPECIAL</u>	<u>FUND TYPE</u>
		<u>REVENUE</u>	<u>AGENCY</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>			
<u>LIABILITIES</u>			
Due to Other Funds	\$ 2,088	\$ 0	\$ 0
Deferred Revenue	6,365	5,685	0
Total Liabilities	\$ 8,453	\$ 5,685	\$ 0
<u>EQUITY AND OTHER CREDITS</u>			
Investment in General Fixed Assets	\$ 0	\$ 0	\$ 0
Balance			
Reserved for			
Fire Equipment	0	100,916	0
Buildings Inspections	0	8,625	0
Unreserved			
Designated for Fire Building	0	6,877	0
Designated for Public Improvement	0	85,541	0
Undesignated	80,103	0	1,029
Total Equity and Other Credits	\$ 80,103	\$ 201,959	\$ 1,029
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 88,556	\$ 207,644	\$ 1,029

The accompanying notes are an integral part of these financial statements.

EXHIBIT A

ACCOUNT GROUP		TOTALS	
GENERAL		(MEMORANDUM	
FIXED		ONLY)	
ASSETS			
\$	0	\$	2,088
	0		12,050
\$	0	\$	14,138
\$	692,260	\$	692,260
	0		100,916
	0		8,625
	0		6,877
	0		85,541
	0		81,132
\$	692,260	\$	975,351
\$	692,260	\$	989,489

The accompanying notes are an integral part of these financial statements.

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES

ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	
<u>RECEIPTS</u>			
Taxes	\$ 82,334	\$ 47,110	\$ 129,444
State Grants	184,077	0	184,077
Charges for Services	14,566	17,950	32,516
Interest and Rents	342	1,454	1,796
Other Receipts	13,530	0	13,530
Total Receipts	<u>\$ 294,849</u>	<u>\$ 66,514</u>	<u>\$ 361,363</u>
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 26,371	\$ 0	\$ 26,371
General Government			
Supervisor	9,591	0	9,591
Election	217	0	217
Assessor	14,306	0	14,306
Clerk	18,743	0	18,743
Board of Review	1,000	0	1,000
Treasurer	11,997	0	11,997
Building and Grounds	7,328	0	7,328
Cemetery	25,132	3,115	28,247
Public Safety	73,909	17,157	91,066
Public Works	44,192	0	44,192
Community and Economic Development	9,645	0	9,645
Recreation	686	0	686
Other Functions	30,446	0	30,446
Total Disbursements	<u>\$ 273,563</u>	<u>\$ 20,272</u>	<u>\$ 293,835</u>
Excess of Receipts Over (Under) Disbursements	<u>\$ 21,286</u>	<u>\$ 46,242</u>	<u>\$ 67,528</u>

The accompanying notes are an integral part of these financial statements.

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES

ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTAL</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>(MEMORANDUM ONLY)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	\$ 5,379	\$ 16,857	\$ 22,236
Operating Transfers Out	(16,857)	(5,379)	(22,236)
Total Other Financing Sources (Uses)	\$ (11,478)	\$ 11,478	\$ 0
Excess of Receipts and Other Sources Over (Under) Disbursement and Other Uses	\$ 9,808	\$ 57,720	\$ 67,528
<u>BALANCE - Beginning of Year</u>	70,295	144,239	214,534
<u>BALANCE - End of Year</u>	\$ 80,103	\$ 201,959	\$ 282,062

The accompanying notes are an integral part of these financial statements.

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes	\$ 85,000	\$ 82,334	\$ (2,666)
State Grants	190,000	184,077	(5,923)
Charges for Services	16,100	14,566	(1,534)
Interest and Rents	2,000	342	(1,658)
Other Receipts	4,500	13,530	9,030
Total Receipts	\$ 297,600	\$ 294,849	\$ (2,751)
<u>DISBURSEMENTS</u>			
Legislative			
Township Board	\$ 46,200	\$ 26,371	\$ 19,829
General Government			
Supervisor	10,000	9,591	409
Election	1,400	217	1,183
Assessor	15,600	14,306	1,294
Clerk	18,600	18,743	(143)
Board of Review	1,100	1,000	100
Treasurer	12,500	11,997	503
Building and Grounds	8,300	7,328	972
Cemetery	25,834	25,132	702
Public Safety	77,426	73,909	3,517
Public Works	102,201	44,192	58,009
Community and Economic Development	11,800	9,645	2,155
Recreation	1,000	686	314
Other Functions	26,500	30,446	(3,946)
Contingency	5,831	0	5,831
Total Disbursements	\$ 364,292	\$ 273,563	\$ 90,729
Excess of Receipts Over (Under) Disbursements	\$ (66,692)	\$ 21,286	\$ 87,978

The accompanying notes are an integral part of these financial statements.

EXHIBIT C

SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 50,000	\$ 47,110	\$ (2,890)
0	0	0
15,500	17,950	2,450
2,700	1,434	(1,266)
0	0	0
<u>\$ 68,200</u>	<u>\$ 66,494</u>	<u>\$ (1,706)</u>
\$ 0	\$ 0	\$ 0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
3,200	3,115	85
16,145	17,157	(1,012)
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>\$ 19,345</u>	<u>\$ 20,272</u>	<u>\$ (927)</u>
<u>\$ 48,855</u>	<u>\$ 46,222</u>	<u>\$ (2,633)</u>

The accompanying notes are an integral part of these financial statements.

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	\$ 0	\$ 5,379	\$ 5,379
Operating Transfers Out	0	(16,857)	(16,857)
Total Other Financing Sources (Uses)	\$ 0	\$ (11,478)	\$ (11,478)
Excess of Receipts and Other Sources Over (Under) Disbursements And Other Uses	\$ (66,692)	\$ 9,808	\$ 76,500
<u>BALANCE</u> - Beginning of Year	66,292	70,295	4,003
<u>BALANCE</u> - End of Year	\$ (400)	\$ 80,103	\$ 80,503

The accompanying notes are an integral part of these financial statements.

EXHIBIT C

SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 10,000	\$ 10,000	\$ 0
0	(5,379)	(5,379)
\$ 10,000	\$ 4,621	\$ (5,379)
\$ 58,855	\$ 50,843	\$ (8,012)
131,844	144,239	12,395
\$ 190,699	\$ 195,082	\$ 4,383

The accompanying notes are an integral part of these financial statements.



CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Casnovia Township is a general law township located in Muskegon County which operates under the direction of an elected township board. Under the criteria established by generally accepted accounting principles, the Township has determined that there are no component units which should be included in its reporting entity.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Township are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The Township has no long-term debt which would be recorded in the general long-term debt of accounts.

The Township has the following fund types and account groups:

Governmental funds are used to account for the Township's general government activities. The Township uses the flow of economic resources measurement focus and the modified cash basis of accounting for this fund which is an other comprehensive basis of accounting (OCBOA). Under the modified cash basis of accounting, revenues are recognized when collected (i.e., when cash is received). Expenditures are recorded when cash is disbursed.

Governmental funds include the following fund types:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

Fiduciary funds account for assets held by the Township in a trustee capacity or as an agent on behalf of others. Fiduciary funds include the following fund type:

The Current Tax Collection Fund is an agency fund and is custodial in nature. It does not present results of operation or have a measurement focus. The agency fund also uses the modified cash basis of accounting. This fund is used to account for property tax collections which the Township makes and distributes for others in an agency capacity.

Account Group. The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds.

**C. Assets, Liabilities and Equity**

**1. Deposits and Investments**

- I. The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from date of acquisition.

In accordance with Public Act 20 of the Public Acts of 1943, as amended, the investment policy adopted by the Township allows the surplus funds of Casnovia Township to be invested as follows:

- a) Bonds, securities, and other obligations of the United States with full faith and credit of the United States Government.
- b) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- c) Commercial paper rated at the time of purchase within the highest classification established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d) Bankers' acceptances of United States banks.
- e) Mutual funds registered under the investment company act of 1940, maintain a \$1.00 per share net asset value.
- f) Investment pools organized under the Surplus Funds Investment Pool Act, 1985 PA 367, 129.111 to 129.118.

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

2. Receivables and Payables

Under the modified cash basis of accounting, a noncash asset is recorded for a receivable for uncollected property taxes. This receivable is entirely offset by a deferred revenue liability account so that income is only recognized when cash is received. The only other asset and liability recognized is for a temporary transfer from the Building Department Fund to the General Fund which is to be repaid. These amounts are shown as Due to/Due From Other Funds.

3. Fixed Assets

Fixed assets used in governmental fund types (general fixed assets) are accounted for in the General Fixed Assets Account Group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the General Fixed Assets account group are not depreciated. Interest incurred during construction is not capitalized.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not included in the general fixed assets account group.

4. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose.

5. Use of Estimates

This presentation of financial statements requires the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reported period. Actual results could differ from those estimates.

6. Memorandum Only - Total Columns

Total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The annual budgets are adopted on the modified cash basis in accordance with the requirements of Michigan Public Act 621 of 1978 "The Uniform Budgeting and Accounting Act". A public hearing is held to obtain taxpayer comments. Appropriations lapse at year end. Budget amounts presented are as originally adopted on March 26, 2003, or as amended by the Township board from time to time throughout the year.

The appropriated budgets are prepared by fund and activity. The Township board exercises budgetary control over expenditures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Township because it is not, at present, considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. Excess of Disbursements Over Appropriations

- 1) Disbursements of \$13,312 exceeded appropriations of \$12,300 by \$1,012 in the Building Department Fund. This over expenditures was funded by excess of receipts over budgeted receipts.
- 2) A budget was not adopted for the Fire Building Fund. Therefore, this fund actual amounts are excluded from the budget and actual amount on Exhibit C.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUP

A. Deposits and Investments

At year-end, the carrying amount of the Township's deposits was \$283,091 and the bank balance was \$286,708. Of the bank balance, \$105,441 was covered by federal depository insurance. The remaining \$181,267 are in accounts which exceed the federal depository insurance of \$100,000 and are also uncollateralized.

The Township's carrying amount of deposits at year-end are shown below:

	<u>TOTAL</u>
Valley Ridge Bank	
Kent City, Michigan	
Commercial Accounts	\$ 3,640
Savings Accounts	199,408
Certificates of Deposit	<u>80,043</u>
	<u>\$ 283,091</u>

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

**B. Fixed Assets**

Activity in the general fixed assets account group for the township for the year ended March 31, 2004, was as follows:

	BALANCE			BALANCE
	4/1/03	ADDITIONS	DELETIONS	3/31/04
<u>GENERAL FIXED ASSETS</u>				
Land and Land Improvements	\$ 65,791	\$ 0	\$ 0	\$ 65,791
Buildings	126,213	0	0	126,213
Furniture and Equipment	500,256	0	0	500,256
	<u>\$ 692,260</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 692,260</u>

**IV. OTHER INFORMATION**

**A. Property Taxes**

The Township levied 1.1138 mills for general operating purposes on a state taxable valuation of \$51,681,271. Also, the Township levied .9939 mills for fire equipment.

Properties are assessed January 1, and the related property taxes become a lien on December 1 of the same year. These taxes are due on or before February 14, with a final collection date of February 28, before they are added to the County tax rolls. Property taxes levied December 1, which are collected prior to the end of the fiscal year, are recognized as income in the year in which they are levied.

**B. Interest Income**

For the year ended March 31, 2004, interest income on investments and interest expense was as follows:

	INTEREST	
	INCOME	EXPENSE
General Fund	\$ 342	\$ 0
Special Revenue Funds	1,454	0
	<u>\$ 1,796</u>	<u>\$ 0</u>

Note - Interest income earned in the Current Tax Collection Fund is periodically transferred to the General Fund and is shown as General Fund interest income when transferred.

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2004

**C. Property Tax Administration Fee**

The Township passed a resolution, to charge a 1% administration fee on all property taxes levied. The resolution is to continue in force and effect until revoked by the Township board.

The Township has determined that authorized costs of tax collection will be repeatedly in excess of the revenue generated by the administration fee so that a restricted earnings account is not reflected in these statements.

**D. Retirement Plan**

The Township has a defined contribution pension plan with Manufacturers Life Insurance Company which covers Township officers which elect to be covered. Township contributions to the plan for 2003-2004, amounted to \$13,600. In addition, the Township paid account fees and charges of \$1,078. For the 2003-2004 year, total covered payroll amounted to \$63,001 and total wages including non-covered payroll was \$89,995.

**E. Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township participates in a pool of municipalities within the State of Michigan for self-insuring property and casualty, crime, general liability, errors and omissions and workers compensation insurance. The Township pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Township has not been informed of any special assessments being required for the current or prior three years.

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

GENERAL FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
MARCH 31, 2004

ASSETS

Cash	
Commercial Account	\$ 2,611
Savings Account	79,580
Taxes Receivable	<u>6,365</u>
 TOTAL ASSETS	 <u>\$ 88,556</u>

LIABILITIES AND BALANCE

LIABILITIES

Deferred Revenue	\$ 6,365
Due to Other Funds	<u>2,088</u>
 Total Liabilities	 \$ 8,453

BALANCE

Unreserved	<u>80,103</u>
 TOTAL LIABILITIES AND BALANCE	 <u>\$ 88,556</u>

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

GENERAL FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE  
BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>RECEIPTS</u></b>			
Taxes	\$ 85,000	\$ 82,334	\$ (2,666)
State Grants	190,000	184,077	(5,923)
Charges for Services	16,100	14,566	(1,534)
Interest and Rents	2,000	342	(1,658)
Other Receipts	4,500	13,530	9,030
Total Receipts	\$ 297,600	\$ 294,849	\$ (2,751)
<b><u>DISBURSEMENTS</u></b>			
Legislative			
Township Board	\$ 46,200	\$ 26,371	\$ 19,829
General Government			
Supervisor	10,000	9,591	409
Election	1,400	217	1,183
Assessor	15,600	14,306	1,294
Clerk	18,600	18,743	(143)
Board of Review	1,100	1,000	100
Treasurer	12,500	11,997	503
Building and Grounds	8,300	7,328	972
Cemetery	25,834	25,132	702
Public Safety	77,426	73,909	3,517
Public Works	102,201	44,192	58,009
Community and Economic Development	11,800	9,645	2,155
Recreation	1,000	686	314
Other Functions	26,500	30,446	(3,946)
Contingency	5,831	0	5,831
Total Disbursements	\$ 364,292	\$ 273,563	\$ 90,729
Excess of Receipts Over (Under) Disbursements	\$ (66,692)	\$ 21,286	\$ 87,978



CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

GENERAL FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE  
BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	\$ 0	\$ 5,379	\$ 5,379
Operating Transfers Out	0	(16,857)	(16,857)
Total Other Financing Sources (Uses)	\$ 0	\$ (11,478)	\$ (11,478)
Excess of Receipts and Other Sources Over (Under) Disbursement and Other Uses	\$ (66,692)	\$ 9,808	\$ 76,500
<u>BALANCE</u> - Beginning of Year	66,292	70,295	4,003
<u>BALANCE</u> - End of Year	\$ (400)	\$ 80,103	\$ 80,503

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH RECEIPTS  
FOR THE YEAR ENDED MARCH 31, 2004

TAXES

Current and Delinquent Property Tax	\$ 65,999	
Interest and Penalties on Delinquent Taxes	188	
Property Tax Administrative Fee	<u>16,147</u>	
Total Taxes		\$ 82,334

STATE GRANTS

State Revenue Sharing	\$ 183,118	
Metro Act	<u>959</u>	
Total State Grants		184,077

CHARGES FOR SERVICES

Grave Openings and Foundation Charges	\$ 5,354	
Summer Tax Collection	4,130	
Dog License Fees	82	
Fire Protection	<u>5,000</u>	
Total Charges for Services		14,566

INTEREST AND RENTS

Interest Earnings		342
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OTHER RECEIPTS

Cable Television Franchise	\$ 423	
Cemetery Lot Sales	1,000	
Sale of Equipment	200	
Sale of Zoning and Plat Books	91	
911 Signs	212	
Insurance Reimbursements	9,240	
Public Hearings	750	
Miscellaneous	<u>1,614</u>	
Total Other Receipts		<u>13,530</u>
Total Receipts		\$ 294,849

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH RECEIPTS  
FOR THE YEAR ENDED MARCH 31, 2004

OTHER FINANCING SOURCES

Operating Transfer In  
Cemetery Fund

5,379

Total Receipts and Other Financing Sources

\$ 300,228

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

LEGISLATIVE

Township Board

Personal Services

Salaries and Wages - Officers \$ 4,000

Salaries and Wages - Clerical 14,501

Other Services and Charges

Professional Services 2,652

Printing and Publishing 711

Miscellaneous 4,507

Total Legislative \$ 26,371

GENERAL GOVERNMENT

Supervisor

Personal Services

Salaries and Wages \$ 9,000

Supplies

Office Supplies 18

Other Services and Charges

Education and Training 333

Travel 240 \$ 9,591

Elections

Supplies

Office and Operating Supplies \$ 191

Other Services and Charges

Travel 16

Miscellaneous 10 217

Assessor

Personal Services

Salaries and Wages \$ 12,000

Supplies

Office and Operating Supplies 2,108

Other Services and Charges

Travel 198 14,306

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

Clerk

Personal Services

Salaries and Wages \$ 10,000

Salaries and Wages - Deputy 3,500

Supplies

Office Supplies 4,114

Other Services and Charges

Travel 361

Education and Training 753

Miscellaneous 15 18,743

Board of Review

Personal Services

Salaries and Wages 1,000

Treasurer

Personal Services

Salaries and Wages \$ 10,000

Supplies

Office Supplies 1,696

Other Services and Charges

Travel and Education 301 11,997

Building and Grounds

Supplies

Maintenance Supplies \$ 1,221

Other Services and Charges

Communications 1,378

Public Utilities 1,995

Repairs and Maintenance 2,734 7,328

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

Cemetery

Personal Services

Salaries and Wages \$ 1,689

Other Services and Charges

Contracted Services 17,822

Insurance 1,452

Public Utilities 121

Repairs and Maintenance 4,048 25,132

Total General Government

88,314

PUBLIC SAFETY

Fire Protection

Personal Services

Salaries and Wages \$ 15,690

Supplies

Operating Supplies 25,064

Other Services and Charges

Communications 705

Contracted Services 3,316

Central Dispatch 3,842

Insurance 8,623

Repairs and Maintenance 12,818

Public Utilities 2,771

Education and Training 1,080

Total Public Safety

73,909

PUBLIC WORKS

Street Lighting

Other Services and Charges

Public Utilities \$ 3,683

Highways, Streets, and Bridges

Other Services and Charges

Repairs and Maintenance 40,509

Total Public Works

44,192

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

GENERAL FUND

ANALYSIS OF CASH DISBURSEMENTS  
FOR THE YEAR ENDED MARCH 31, 2004

COMMUNITY AND ECONOMIC DEVELOPMENT

Planning and Zoning			
Personal Services	\$	9,615	
Salaries and Wages			
Supplies			
Office Supplies		<u>30</u>	
Total Community and Economic Development			9,645

RECREATION

Recreation and Parks			
Other Services and Charges			
Miscellaneous			686

OTHER FUNCTIONS

Insurance and Bonds	\$	5,181	
Employee Benefits			
Pension Contribution	\$	14,678	
Medicare and Social Security		<u>10,587</u>	<u>25,265</u>
Total Other Functions			<u>30,446</u>
Total Disbursements			\$ 273,563

OTHER FINANCING USES

Operating Transfer Out			
Fire Building Fund	\$	6,857	
Public Improvement Fund		<u>10,000</u>	<u>16,857</u>
Total Disbursements and Other Financing Uses			<u>\$ 290,420</u>

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

MARCH 31, 2004

	<u>CEMETERY FUND</u>	<u>FIRE EQUIPMENT FUND</u>	<u>FIRE BUILDING FUND</u>
<u>ASSETS</u>			
Cash			
Savings Accounts	\$ 0	\$ 100,916	\$ 6,877
Certificates of Deposit	0	0	0
Due from General Fund	0	0	0
Taxes Receivable	0	5,685	0
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 0	\$ 106,601	\$ 6,877
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES AND BALANCE</u>			
<u>LIABILITIES</u>			
Deferred Revenue	\$ 0	\$ 5,685	\$ 0
	<hr/>	<hr/>	<hr/>
<u>BALANCE</u>			
Reserved for Fire Equipment	\$ 0	\$ 100,916	\$ 0
Reserved for Building Inspections	0	0	0
Unreserved			
Designated for Fire Buildings	0	0	6,877
Designated for Public Improvement	0	0	0
	<hr/>	<hr/>	<hr/>
Total Balance	\$ 0	\$ 100,916	\$ 6,877
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND BALANCE	\$ 0	\$ 106,601	\$ 6,877
	<hr/>	<hr/>	<hr/>



STATEMENT 5

<u>PUBLIC IMPROVEMENT FUND</u>	<u>BUILDING DEPARTMENT FUND</u>	<u>TOTALS</u>
\$ 5,498	\$ 6,537	\$ 119,828
80,043	0	80,043
0	2,088	2,088
0	0	5,685
<u>\$ 85,541</u>	<u>\$ 8,625</u>	<u>\$ 207,644</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,685</u>
\$ 0	\$ 0	\$ 100,916
0	8,625	8,625
0	0	6,877
85,541	0	85,541
<u>\$ 85,541</u>	<u>\$ 8,625</u>	<u>\$ 201,959</u>
<u>\$ 85,541</u>	<u>\$ 8,625</u>	<u>\$ 207,644</u>

CASOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES

FOR THE YEAR ENDED MARCH 31, 2004

	CEMETERY FUND	FIRE EQUIPMENT FUND	FIRE BUILDING FUND
<u>RECEIPTS</u>			
Taxes	\$ 0	\$ 47,110	\$ 0
Charges for Services	1,400	0	0
Interest and Rents	28	279	20
Total Receipts	\$ 1,428	\$ 47,389	\$ 20
<u>DISBURSEMENTS</u>			
General			
Cemetery	\$ 3,115	\$ 0	\$ 0
Public Safety			
Fire Protection	0	3,845	0
Building Inspections	0	0	0
Total Disbursements	\$ 3,115	\$ 3,845	\$ 0
Excess of Receipts Over (Under) Disbursements	\$ (1,687)	\$ 43,544	\$ 20
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	\$ 0	\$ 0	\$ 6,857
Operating Transfers Out	(5,379)	0	0
Total Other Financing Sources (Uses)	\$ (5,379)	\$ 0	\$ 6,857
Excess of Receipts and Other Sources Over (Under) Disbursements and Other Uses	\$ (7,066)	\$ 43,544	\$ 6,877
<u>BALANCE</u> - Beginning of Year	7,066	57,372	0
<u>BALANCE</u> - End of Year	\$ 0	\$ 100,916	\$ 6,877

STATEMENT 6

<u>PUBLIC IMPROVEMENT FUND</u>	<u>BUILDING DEPARTMENT FUND</u>	<u>TOTALS</u>
\$ 0	\$ 0	\$ 47,110
0	16,550	17,950
1,066	61	1,454
<u>\$ 1,066</u>	<u>\$ 16,611</u>	<u>\$ 66,514</u>
\$ 0	\$ 0	\$ 3,115
0	0	3,845
0	13,312	13,312
<u>\$ 0</u>	<u>\$ 13,312</u>	<u>\$ 20,272</u>
\$ 1,066	\$ 3,299	\$ 46,242
\$ 10,000	\$ 0	\$ 16,857
0	0	(5,379)
<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 11,478</u>
\$ 11,066	\$ 3,299	\$ 57,720
74,475	5,326	144,239
<u>\$ 85,541</u>	<u>\$ 8,625</u>	<u>\$ 201,959</u>

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

CEMETERY FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
MARCH 31, 2004

ASSETS

Cash	\$ 0
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LIABILITIES AND BALANCE

LIABILITIES

\$ 0
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BALANCE

Reserved for Cemetery

0
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TOTAL LIABILITIES AND BALANCE

\$ 0
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CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

CEMETERY FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Charges for Services			
Sales	\$ 500	\$ 1,400	\$ 900
Interest and Rents			
Interest Earnings	100	28	(72)
Total Receipts	\$ 600	\$ 1,428	\$ 828
<u>DISBURSEMENTS</u>			
General Government			
Cemetery			
Other Services and Charges			
Contracted Services	3,200	3,115	85
Excess of Receipts Over (Under) Disbursements	\$ (2,600)	\$ (1,687)	\$ 913
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers Out			
General Fund	0	(5,379)	(5,379)
Excess of Receipts Over (Under) Disbursements and Other Uses	\$ (2,600)	\$ (7,066)	\$ (4,466)
<u>BALANCE - Beginning of Year</u>	7,053	7,066	13
<u>BALANCE - End of Year</u>	\$ 4,453	\$ 0	\$ (4,453)

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

FIRE EQUIPMENT FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
MARCH 31, 2004

ASSETS

Cash	
Savings Account	\$ 100,916
Taxes Receivable	<u>5,685</u>
 TOTAL ASSETS	 <u>\$ 106,601</u>

LIABILITIES AND BALANCE

LIABILITIES

Deferred Revenue	\$ 5,685
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BALANCE

Reserved for Fire Equipment	<u>100,916</u>
 TOTAL LIABILITIES AND BALANCE	 <u>\$ 106,601</u>

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

FIRE EQUIPMENT FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE  
BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Taxes			
Current Property Taxes	\$ 50,000	\$ 45,681	\$ (4,319)
Delinquent Property Taxes	0	1,429	1,429
Interest and Rents			
Interest Earnings	1,000	279	(721)
Total Receipts	\$ 51,000	\$ 47,389	\$ (3,611)
<u>DISBURSEMENTS</u>			
Public Safety			
Fire Protection			
Other Services and Charges			
Repairs and Maintenance	3,845	3,845	0
Excess of Receipts Over (Under) Disbursements	\$ 47,155	\$ 43,544	\$ (3,611)
<u>BALANCE - Beginning of Year</u>	46,758	57,372	10,614
<u>BALANCE - End of Year</u>	\$ 93,913	\$ 100,916	\$ 7,003

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

FIRE BUILDING FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
MARCH 31, 2004

ASSETS

Cash	
Savings Account	\$ 6,877

LIABILITIES AND BALANCE

<u>LIABILITIES</u>	\$ 0
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BALANCE

Designated for Fire Buildings	6,877
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TOTAL LIABILITIES AND BALANCE	\$ 6,877
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CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

FIRE BUILDING FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE  
FOR THE YEAR ENDED MARCH 31, 2004

RECEIPTS

Interest and Rents

Interest Earnings

\$ 20

DISBURSEMENTS

0

Excess of Receipts Over

(Under) Disbursements

\$ 20

OTHER FINANCING SOURCES

Operating Transfers In

General Fund

6,857

Excess of Receipts and Other Sources Over

(Under) Disbursements

\$ 6,877

BALANCE - Beginning of Year

0

BALANCE - End of Year

\$ 6,877

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

PUBLIC IMPROVEMENT FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
MARCH 31, 2004

<u>ASSETS</u>	
Cash	
Savings Account	\$ 5,498
Certificates of Deposit	<u>80,043</u>
 TOTAL ASSETS	 <u><u>\$ 85,541</u></u>
 <u>LIABILITIES AND BALANCE</u>	
<u>LIABILITIES</u>	\$ 0
 <u>BALANCE</u>	
Unreserved	
Designated for Public Improvement	<u>85,541</u>
 TOTAL LIABILITIES AND BALANCE	 <u><u>\$ 85,541</u></u>

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

PUBLIC IMPROVEMENT FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Interest and Rents			
Interest Earnings	\$ 1,500	\$ 1,066	\$ (434)
<u>DISBURSEMENTS</u>	0	0	0
Excess of Receipts Over (Under) Disbursements	\$ 1,500	\$ 1,066	\$ (434)
<u>OTHER FINANCING SOURCES</u>			
Operating Transfer In General Fund	10,000	10,000	0
Excess of Receipts and Other Sources Over (Under) Disbursements	\$ 11,500	\$ 11,066	\$ (434)
<u>BALANCE</u> - Beginning of Year	74,207	74,475	268
<u>BALANCE</u> - End of Year	\$ 85,707	\$ 85,541	\$ (166)

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

BUILDING DEPARTMENT FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
MARCH 31, 2004

ASSETS

Cash	
Savings Account	\$ 6,537
Due from General Fund	<u>2,088</u>
TOTAL ASSETS	<u>\$ 8,625</u>

LIABILITIES AND BALANCE

<u>LIABILITIES</u>	\$ 0
<u>BALANCE</u>	
Unreserved	
Reserved for Building Inspections	<u>8,625</u>
TOTAL LIABILITIES AND BALANCE	<u>\$ 8,625</u>

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

BUILDING DEPARTMENT FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>RECEIPTS</u>			
Charges for Services			
Permits	\$ 15,000	\$ 16,550	\$ 1,550
Interest and Rents			
Interest Earnings	100	61	(39)
Total Receipts	\$ 15,100	\$ 16,611	\$ 1,511
<u>DISBURSEMENTS</u>			
Public Safety			
Building Inspection Department			
Other Services and Charges			
Contracted Services	12,300	13,312	(1,012)
Excess of Receipts Over (Under) Disbursements	\$ 2,800	\$ 3,299	\$ 499
<u>BALANCE - Beginning of Year</u>	3,826	5,326	1,500
<u>BALANCE - End of Year</u>	\$ 6,626	\$ 8,625	\$ 1,999

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
MARCH 31, 2004

ASSETS

Cash

Commercial Account

\$ 1,029

BALANCE

\$ 1,029

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE  
FOR THE YEAR ENDED MARCH 31, 2004

RECEIPTS

Current Tax Collections	\$ 1,483,940	
Delinquent Tax Collections and Interest	5,035	
Property Tax Administration Fee	16,147	
Overcollections from Taxpayers	2,578	
Dog License Fees	2,045	
Total Receipts		\$ 1,509,745

DISBURSEMENTS

Payments to County Treasurer		
Current Tax		
County	\$ 413,648	
State Education Tax	240,884	
Delinquent Tax and Interest	1,593	
Dog License Fees	2,045	\$ 658,170
Payments to Township Treasurer		
Current Tax		
Operating	\$ 51,195	
Fire Equipment	45,681	
Delinquent Tax and Interest		
Operating	331	
Fire Equipment	68	
Property Tax Administration Fee	16,147	113,422
Payments to School Treasurer		
Kent City Community Schools		
Current Tax	\$ 253,146	
Delinquent Tax and Interest	656	
Grant Public Schools		
Current Tax	238,221	
Delinquent Tax and Interest	1,192	
Ravenna Public Schools		
Current Tax	19,259	512,474

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCE  
FOR THE YEAR ENDED MARCH 31, 2004

Payments to Intermediate School Treasurer		
Newago County Intermediate		
Current Tax	\$ 131,202	
Delinquent Tax and Interest	270	
Kent Intermediate		
Current Tax	83,125	
Delinquent Tax and Interest	253	
Muskegon Area Intermediate		
Current Tax	<u>7,576</u>	222,426
Refund to Taxpayers for Overcollections		2,578
Bank Fee		<u>4</u>
Total Disbursements		<u>1,509,074</u>
Excess of Receipts Over (Under) Disbursements		\$ 671
<u>BALANCE</u> - Beginning of Year		<u>358</u>
<u>BALANCE</u> - End of Year		<u>\$ 1,029</u>



CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
FOR THE YEAR ENDED MARCH 31, 2004

	BALANCE 4/1/03	ADDITIONS	DELETIONS	BALANCE 3/31/2004
<u>GENERAL FIXED ASSETS</u>				
Land and Land Improvements	\$ 65,791	\$ 0	\$ 0	\$ 65,791
Buildings	126,213	0	0	126,213
Furniture and Equipment	500,256	0	0	500,256
	<u>\$ 692,260</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 692,260</u>
 <u>INVESTMENT IN GENERAL FIXED ASSETS</u>				
	<u>\$ 692,260</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 692,260</u>

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

STATEMENT OF 2003 WINTER PROPERTY TAX ROLL  
MARCH 31, 2004

TAXES ASSESSED

County		\$ 465,100	
Township			
Operating	\$ 57,563		
Fire Equipment	51,366	108,929	
Schools			
Grant Public Schools	\$ 269,480		
Kent City Community Schools	139,373		
Ravenna Public Schools	22,560	431,413	
Intermediate Schools			
Newago County Intermediate	\$ 147,348		
Muskegon Area Intermediate	8,861	156,209	\$ 1,161,651

TAXES COLLECTED

County		\$ 413,648	
Township			
Operating	\$ 51,195		
Fire Equipment	45,684	96,879	
Schools			
Grant Public Schools	\$ 238,221		
Kent City Community Schools	123,976		
Ravenna Public Schools	19,259	381,456	
Intermediate Schools			
Newago County Intermediate	\$ 131,202		
Muskegon Area Intermediate	7,576	138,778	1,030,761

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

STATEMENT OF 2003 WINTER PROPERTY TAX ROLL  
MARCH 31, 2004

TAXES RETURNED DELINQUENT

County		\$	51,452	
Township				
Operating	\$	6,368		
Fire Equipment		<u>5,682</u>	12,050	
Schools				
Grant Public Schools	\$	31,259		
Kent City Community Schools		15,397		
Ravenna Public Schools		<u>3,301</u>	49,957	
Intermediate Schools				
Newago County Intermediate	\$	16,146		
Muskegon Area Intermediate		<u>1,285</u>	<u>17,431</u>	<u>\$ 130,890</u>

CASNOVIA TOWNSHIP, MUSKEGON COUNTY  
CASNOVIA, MICHIGAN

STATEMENT OF 2003 SUMMER PROPERTY TAX ROLL  
MARCH 31, 2004

TAXES ASSESSED

County			
State Education Tax	\$	258,406	
School			
Kent City Community Schools		139,373	
Intermediate School			
Kent Intermediate		<u>89,890</u>	\$ 487,669

TAXES COLLECTED

County			
State Education Tax	\$	240,884	
School			
Kent City Community Schools		129,170	
Intermediate School			
Kent Intermediate		<u>83,125</u>	<u>453,179</u>

TAXES RETURNED DELINQUENT

County			
State Education Tax	\$	17,522	
School			
Kent City Community School		10,203	
Intermediate School			
Kent Intermediate		<u>6,765</u>	<u>\$ 34,490</u>

134 WEST HARRIS STREET  
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JACK H. BAIRD, C.P.A.  
JERRY L. COTTER, C.P.A.  
DALE D. COTTER, C.P.A.

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MICHAEL D. COOL, C.P.A.

*Baird, Cotter and Bishop, P.C.*

CERTIFIED PUBLIC ACCOUNTANTS

August 25, 2004

LETTER OF COMMENTS AND RECOMMENDATIONS

To the Township Board  
Casnovia Township  
Muskegon County  
Casnovia, Michigan

As a result of our audit of the general-purpose financial statements of Casnovia Township for the year ended March 31, 2004, we would like to take this opportunity to comment on the following items relative to the management and accounting procedures of the Township.

Reportable Condition in Internal Controls

In planning and performing our audit of the general-purpose financial statements of Casnovia Township for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements.

Certain matters considered to be reportable conditions in internal controls were noted. We are issuing a separate letter (letter of reportable conditions) which addresses those items noted.

Act 621 (Uniform Budgeting and Accounting Act)

- 1) A budget was not adopted for the Township's newly created Fire Building Fund. We would like to note however, a budget has been adopted for this fund for the 2004-2005 year.
- 2) Expenditures in the Building Department Fund exceeded budgeted disbursements. The township should amended individual fund budgets prior to incurring expenditures in excess of budgeted amounts.

GASB 34

The Governmental Accounting Board has issued statement number 34 which significantly changes the financial statement presentation for governmental entities following accounting principles generally accepted in the United States of America. We will assist the Township in determining the effect of GASB 34 on its financial statements when the implementation date of March 31, 2005, comes closer.

Some of the changes required by GASB 34 are as follows:

- a) Management's discussion and analysis will be the first thing in a financial report. This will be the administration's narrative overview of the information contained in the financial statements.
- b) The budgetary comparison information must report the original adopted budget and the final amended budget.
- c) Capital assets and long-term liabilities will be required to be reported in the balance sheet. The depreciation on the capital assets will then be reported as an expense in the statement of revenues and expenses. With this change, the financial statements of a government entity will look similar to a for-profit business financial statements.

We are available to advise you and offer assistance on how to proceed with steps needed to meet GASB 34 requirements.

General Recordkeeping

The accounting records for the year ended March 31, 2004, were found to be in good order and in compliance with the State's uniform accounting system. We commend the Clerk and Treasurer for a job well done and encourage them to keep up the fine effort.

We would like to thank the board for awarding our firm the audit assignment of the Township and to thank the Township Clerk and Treasurer for their cooperation.

If you have any questions relative to the above comments and recommendations or other areas of your annual accounting, please feel free to call on us.

BAIRD, COTTER AND BISHOP, P.C.

*Baird, Cotter & Bishop, P.C.*

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CERTIFIED PUBLIC ACCOUNTANTS

August 25, 2004

LETTER OF REPORTABLE CONDITIONS

To the Township Board  
Casnovia Township  
Muskegon County  
Casnovia, Michigan

In planning and performing our audit of the general-purpose financial statements of Casnovia Township, Muskegon County, Casnovia, Michigan for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure. However, we noted certain matters that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

The relatively small number of people involved in the accounting functions of the Township and the design of the accounting system as developed by the state make it difficult to adequately segregate duties. Segregation of accounting duties is a fundamental method of strengthening internal control. However, in deciding what internal control procedures should be implemented, the Board must consider the costs of implementing them and weigh those costs against the benefits to be derived from their implementation.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the condition described above is a material weakness.

This report is intended solely for the information and use of the Board and others within the organization. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

BAIRD, COTTER AND BISHOP, P.C.

*Baird, Cotter & Bishop, P.C.*